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FRAGRANCE AND PERSONAL CARE

## Este Lauder's recent acquisitions result in strong 2017 financial performance

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Lipstick was a popular product for Q4 and FY 2017. Image credit: Este Lauder

By STAFF REPORTS

Beauty conglomerate Este Lauder Cos. expects its momentum to continue in 2018, after reporting full-year net sales that increased by 5 percent in fiscal year 2017.



Este Lauder also ended the fourth quarter on a high note with net sales increasing by 9 percent, for the period ending June 30. During the fourth quarter of 2017, Este Lauder reported net sales of \$2.89 billion, compared to \$2.65 billion from the year-ago quarter.

## Boosted by M&As

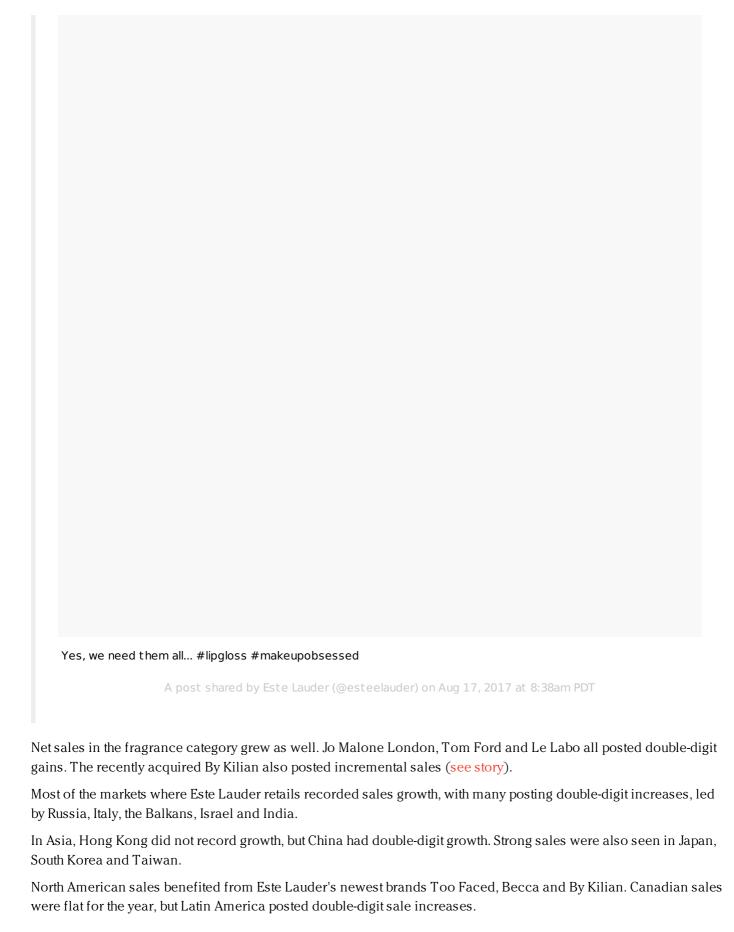
Este Lauder attributes its strong performance for FY 2017 and Q4 2017 to its recent acquisitions of Too Faced and Becca (see story). The sales from these two brands contributed to about 3.5 percent of Este Lauder's sales growth.

In Q4 2017, Este Lauder's sales benefited from new products and double-digit growth in a number of developed and emerging markets, especially China. Also, Este Lauder saw gains in its travel retail, online and specialty-multi channels.

For the year, Este Lauder's net sales were \$11.82 billion, a 5 percent increase from the prior year's \$11.26 billion. As with Q4, Este Lauder's performance is tied to contributions from Too Faced and Becca.

By category, the beauty conglomerate saw its skincare net sales increase. La Mer, for example, showed strong double-digit gains due to new product launches, its skincare staples and its consumer expansion strategy.

Este Lauder's makeup sales also increased. In addition to the strong performance of Too Faced and Becca, Tom Ford Beauty saw double-digit increases in every region. Tom Ford Beauty's results were driven by its lipstick lines and new products such as its annual Tom Ford Soleil collection for summer.





Este Lauder's flagship brand. Image credit: Este Lauder

"Throughout the fiscal year, out momentum accelerated, culminating in an outstanding fourth-quarter performance that completed another year of strong net sales and earnings per share growth," said Fabrizio Freda, president and CEO of Este Lauder Cos., in a statement.

"These results reflect out success in pivoting our business to the fastest-growing areas of prestige beauty to align with consumers' changing shopping preferences," he said. "With our leading brands, quality innovations and the acquisition of two makeup brands, we attracted new consumers globally."

Looking ahead to fiscal 2018, Mr. Freda said, "We expect the great momentum we built throughout the past year to continue in fiscal 2018.

"We are well-positioned to deliver strong profitable growth as we deploy our prestige brand portfolio to new consumers globally through our hero product franchises and robust new product pipeline, new digital-first marketing approach and focused expansion for our smaller to mid-sized brands," he said.

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